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IN THE UNITED STATES PATENT & TRADEMARK OFFICE

IN RE PATENT Scott N. CHRISTENSEN
APPLICATION OF:
SERIAL NO.: 09/315,822
ATTORNEY DOCKET 031792-0311520
NO:
FILING DATE: May 21, 1999
ART UNIT : 3622
EXAMINER JEAN D. JANVIER
FOR: VIRTUAL COUPONING METHOD AND APPARATUS FOR USE WITH CONSUMER KIOSK

MAIL STOP APPEAL BRIEF – PATENTS

Commissioner for Patents
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REPLY BRIEF

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I. INTRODUCTION.

This Reply Brief is being filed within two months of the Examiner's Answer (hereinafter "Answer") mailed November 29, 2007. This Brief responds to the new points raised by the Examiner in response to Appellant's "Supplemental Brief on Appeal Under 37 C.F.R. § 41.37," filed November 2, 2007 (hereinafter "Appeal Brief").

II. STATUS OF CLAIMS.

Pending claims 1-27 stand rejected, and are on appeal.

The rejection of claim 18 under 35 U.S.C. § 112, ¶1, has been withdrawn [Answer, pg. 23].

Accordingly, the remaining claim rejections on appeal are as follows:

- A. Claims 1-16, 19, and 24-27 stand rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over U.S. Patent No. 6,321,208 to Barnett *et al.* ("Barnett") [Answer, pg. 2].
- B. Claims 1, 4, 9-16, and 24-27 stand rejected under 35 U.S.C. § 102(b) as allegedly being anticipated by U.S. Patent No. 4,674,041 to Lemon *et al.* ("Lemon") [Answer, pg. 15].
- C. Claims 16-26 stand rejected under 35 U.S.C. § 102(e) as allegedly being anticipated by U.S. Patent No. 5,887,271 to Powell [Answer, pg. 20].

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III. Response to Examiner's Arguments.

A. **Claims 1-16, 19, and 24-27 are Patentable Under 35 U.S.C. § 103(a) Over Barnett.**

The rejection of claims 1-16, 19, and 24-27 under 35 U.S.C. § 103(a) over Barnett is legally improper, and should be reversed, for at least the reason that the Examiner has failed to establish a *prima facie* case of obviousness.

In particular, assuming arguendo that the Examiner had set forth a legally proper motivation to modify the system of Barnett to operate as a system that would utilize an interactive kiosk¹ (located within a retail store) as a means for coupon distribution, which Appellant does not concede, the rejection would still be improper for at least the reason that Barnett fails to teach or suggest *at least* the feature of determining whether a coupon presented by the consumer is valid *prior* to crediting the consumer with a redemption value associated with the coupon, as recited in each of independent claims 1, 11, and 16 (hereinafter the "Coupon Validation Function").

The Examiner provides no evidence that Barnett discloses the Coupon Validation Function. Instead, the Examiner commits legal error by making a hindsight interpretation of Barnett that is completely unsupported, and inconsistent with the teachings of Barnett.

¹ The Examiner relies on Barnett's discussion, in the "Background of the Invention," of the in-store kiosks and coupon printing stations of the Spector and Lemon patents, respectively, in support of the alleged modification of Barnett to employ similar coupon distribution techniques (Barnett, col. 3, lines 36-62). In so doing, the Examiner disregards Barnett's recognition of the drawbacks of these systems (e.g., their failure to provide "secure" systems), and Barnett's teaching away from the use of such systems.

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The Examiner commits further legal error by failing to identify any structure in Barnett that performs the Coupon Validation Function, thereby disregarding well-established case law governing the treatment of claim recitations (in a patentability determination) that invoke 35 U.S.C. § 112, ¶6.

For at least these reasons, the rejection under 35 U.S.C. § 103(a) is improper, and should be reversed.

1. The Examiner Provides No Evidence that Barnett Discloses the Coupon Validation Function.

The Examiner has provided no evidence that Barnett discloses the Coupon Validation Function. Instead, the Examiner commits legal error by making an unsupported, hindsight interpretation of Barnett. In particular, the Examiner alleges that validation of a coupon, in Barnett, "must" occur at the point-of-sale:

Here, if the validating step is performed after the retailer has redeemed the presented coupon, as the Appellant seems to understand, then the coupon issuer will be defrauded since he must reimburse the retailer who has unknowingly honored or redeemed a fake or fraudulent coupon and hence, the system cannot be fraud-proof as intended by Barnett. Thus, the validation must be performed prior to the redemption, i.e. before applying a credit to the customer's order when the required product is purchased, but not after, as would have concluded an ordinary skilled artisan at the time of the invention. Col.11: 11-29; fig. 1.

[Answer, pg. 26, *emphasis added*].

In addition to lacking any evidentiary support, the Examiner's assertion appears inconsistent with the teachings of Barnett. Nowhere, for example, does Barnett claim to be a completely fraud-proof system. Rather, Barnett appears to be concerned with discouraging

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fraud and disallowing further redemption once fraud is detected. Additionally, Barnett is concerned with both consumer and retailer fraud. In particular, Barnett recites:

The unique user bar code 90 also renders the electronic coupon system of the present invention secure and *virtually fraud-proof*. Although a user is able to print out a particular coupon 18 only once (to be described in detail below), the *coupon issuer 14 could still be defrauded by a user or retailer who might photocopy a printed coupon numerous times and fraudulently and repeatedly present it for redemption*. However, in accordance with the present invention, each coupon printed by a user is unique, and the scanning of a coupon presented for redemption will be stored at the coupon redemption center. Thus, the coupon issuer will know if a particular user has redeemed a particular coupon and thus *disallow further redemption* of a photocopied coupon bearing the same indicia.

[Barnett, col. 11, lines 11-24, *emphasis added*].

Fraudulent activities of *retailers* will not likely be detected at a product checkout station in a retail store where *consumers* present products for purchase. Accordingly, if coupon validation in Barnett were to occur at the point-of-sale *prior* to redemption, which the Examiner asserts “must” be the case, Barnett’s system would likely be ineffective in detecting *retailer* fraud. The rationale advanced by the Examiner completely ignores Barnett’s focus on addressing retailer fraud.

Additionally, the Examiner’s assertion that “validation must be performed prior to the redemption” is not accurate, and appears contrary to the teachings of Barnett. For example, Barnett recites:

The printed coupons 18 are used in the normal fashion by a consumer when shopping at a desired retail store 10. That is, the *coupons 18 are presented to a product checkout station 11* along with the associated products for purchase, *and the*

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discount amount shown on the coupon 18 is credited to the consumer at the point of sale. The redeemed coupons 18 are transmitted to a coupon redemption center 13 where they are electronically read, and user-specific data is stored in a coupon redemption database 12.

[Barnett, *e.g.*, col. 7, lines 18-21, *emphasis added*].

The coupon redemption center 13 receives from a number of stores 10 *the coupons redeemed*, verifies the value of the *redeemed coupons*, determines the identification of users who *redeemed the coupons*, and distributes the information read from the coupons 18 to the individual coupon issuer 14 and to the coupon distributor 16. In particular, *information regarding the redemption amount and the redeeming store 10 is forwarded to the particular coupon issuer 14 named on the coupon 18, which then credits the redeeming store 10 with the total amount of discounts given.*

[Barnett, *e.g.*, col. 7, lines 36-45, *emphasis added*].

Accordingly, it is clear from the foregoing passages that, to the extent Barnett discloses that a coupon is validated, it appears to occur *after* retailer (10) sends coupons (which have *already* been redeemed by a customer) to a remote redemption center (13).

For at least the foregoing reasons, the Examiner's remarks regarding the "fraud-proof" nature of Barnett and the need for validation *prior* to redemption are not supported by Barnett.

2. The Examiner Commits Further Legal Error by Failing to Identify Any Structure (in Barnett) that Performs the Coupon Validation Function.

The Coupon Validation Function is expressed, in independent claims 1 and 16, using "means plus function" language. Independent claim 1, for example, recites:

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means for determining if a coupon presented by the consumer is valid prior to crediting the consumer with a redemption value associated with the coupon.

[*emphasis added*].

Independent claim 16 similarly recites:

redemption means...determining if a coupon presented by the consumer is valid prior to crediting the consumer with a redemption value associated with the coupon.

[*emphasis added*].

Contrary to well-established case law governing the treatment of claim recitations that invoke 35 U.S.C. § 112, ¶6 in a patentability determination, the Examiner has pointed to no **structure** in Barnett that performs the Coupon Validation Function. Instead, the Examiner speculates on potential actions that a store “clerk” may take as allegedly satisfying the foregoing claim recitations. The Examiner points to nothing in Barnett, however, to support this allegation. In particular, the Examiner recites:

Moreover, it is implicitly or explicitly supported in any coupon distribution system that when a printed coupon is presented for redemption at a local store, the clerk, alone or in conjunction with a system, at least makes sure that the date printed on the coupon is still valid, specific instructions printed on the coupon are carried out, the required product is purchased, etc., before applying a credit to the customer’s order or before redeeming the presented coupon. This by itself constitutes a **form of validation**. Here, the specific connotation or definition attributed to the term “validation” is not being read into the claims since the term “validation” is well understood in the art and since the Examiner does read limitations from the specification into the claims and since claim elements are usually given the broadest interpretation during prosecution.

[Answer, pgs. 26-27, *emphasis in original*].

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The Examiner's reliance on the actions of a "clerk" for validation at a product checkout station in a retail store is legally improper for at least the reasons that: (1) a clerk clearly does not comprise "structure;" (2) there is no support in Barnett for a clerk validating coupons at the point-of-sale; and (3) Barnett, being concerned with both consumer and *retailer* fraud, discloses that validation (to the extent Barnett discloses that a coupon is validated) occurs *after* a retailer sends already-redeemed coupons to a remote redemption center.

Moreover, the Examiner's comments regarding claim interpretation are legally improper for at least the reason that "one construing means-plus-function language in a claim must look to the specification and interpret that language in light of the corresponding structure, material, or acts described therein, and equivalents thereof." *In re Donaldson*, 16 F.3d 1189, 1193, 29 U.S.P.Q.2d 1845 (Fed. Cir. 1994). Because 35 U.S.C. § 112, sixth paragraph "sets a limit on how broadly the PTO may construe means-plus-function language under the rubric of 'reasonable interpretation,'" the "'broadest reasonable interpretation' that an examiner may give means-plus-function language . . . may not disregard the structure disclosed in the specification corresponding to such language." *Id.* at 1194-95.

In this instance, by disregarding not only the structure and functions disclosed in Appellant's specification, but also any "structure" whatsoever – in Barnett or otherwise, the Examiner has failed to properly interpret the aforementioned claim feature. Accordingly, the rejection is improper for at least this reason.

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Although not written in “means plus function” language, independent claim 11 nonetheless positively recites structure (*i.e.*, a redemption module) that performs the Coupon Validation Function. The Examiner again fails to identify structure in Barnett that performs the Coupon Validation Function.

For *at least* the foregoing reasons, the Examiner has failed to establish a *prima facie* case of obviousness. Accordingly, the rejection of independent claims 1, 11, and 16 under 35 U.S.C. § 103(a) is therefore improper, and should be reversed.

Dependent claims 2-10, 12-15, and 27 are allowable because they depend from allowable independent claim 1, as well as for the further features they recite. Dependent claims 24-26 are allowable because they depend from allowable independent claim 16, as well as for the further features they recite. Appellant maintains the arguments raised in the Appeal Brief [at pgs. 12-14] regarding the deficiencies of the rejection of the dependent claims under 35 U.S.C. § 103(a). In the Answer, at pg. 27, the Examiner has chosen not to address the substance of Appellant’s arguments, instead dismissing them as “broad in nature” and “not plausible.”

B. Claims 1, 4, 9-16, and 24-27 are Patentable Over Lemon.

The rejection of claims 1, 4, 9-16, and 24-27 under 35 U.S.C. § 102(b) over Lemon is legally improper, and should be reversed, for at least the reason that Lemon fails to disclose each and every feature of at least independent claims 1, 11, and 16. In particular, Lemon does not disclose the Coupon Validation Function.

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In the Appeal Brief, at pgs. 15-16, Appellant argued that Lemon teaches determining whether a *product* related to a coupon is being purchased and is eligible for a discount. This determination, however, does not pertain to whether the coupon itself is fraudulent or invalid. For example, if the coupon is a photocopy of a previously redeemed coupon, Lemon's system will not know.

In response to the foregoing arguments, the Examiner first recites:

First, it is **implicitly** or explicitly supported in any coupon distribution system that when a printed coupon is presented for redemption at a local store, the clerk, alone or in conjunction with a system, at least makes sure that the date printed on the coupon is still valid, specific instructions printed on the coupon are carried out, the required product is purchased, etc., before applying a credit to the customer's order or before redeeming the presented coupon. This by itself constitutes a **form of validation**. Here, the specific connotation or definition attributed to the term "validation" is not being read into the claims since the term "validation" is well understood in the art and since the Examiner does read limitations from the specification into the claims and since claim elements are usually given the broadest interpretation during prosecution.

[Answer, pg. 27, **emphasis in original**].

As discussed in detail above with regard to the rejection under 35 U.S.C. § 103(a), the Examiner has failed to properly interpret the "means plus function" claim language. In particular, the Examiner has pointed to no **structure** in Lemon that performs the Coupon Validation Function. Additionally, as previously discussed, the Examiner's comments regarding claim interpretation make it clear that the Examiner has improperly construed the recited means-plus-function language.

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Independent claim 11 positively recites structure (*i.e.*, a redemption module) that performs the Coupon Validation Function. The Examiner has failed to identify any structure in Lemon that performs this function.

Additionally, with regard to the alleged rejection under 35 U.S.C. § 102(b) over Lemon, the Examiner further recites:

Second, Lemon explicitly discloses, as further admitted by the Appellant, a system for determining if a product identical (UPC) code printed on a product in the customer's order matches the product UPC code printed on a presented coupon before a credit is being applied or a redemption is performed, thereby preventing a customer from obtaining the benefit of a coupon without purchasing the required product featured on the coupon. This feature of the Lemon's system reduces or prevents fraud by **validating or at least verifying** that the corresponding product associated with the coupon is bought before redeeming the said coupon (col. 6: 40-51).

[Answer, pgs. 27-28, **emphasis in original**].

The Examiner's remarks do not appear to dispute Appellant's arguments that Lemon does not disclose determining whether the coupon itself is fraudulent or invalid. Rather, the Examiner appears to acknowledge that the determination being made in Lemon focuses on whether a *product* related to a coupon is being purchased. For *at least* the foregoing reasons, the rejection of independent claims 1, 11, and 16 under 35 U.S.C. § 102(b) is improper, and should be reversed.

Dependent claims 4, 9-10, 12-15, and 27 are allowable because they depend from allowable independent claim 1, as well as for the further features they recite. Dependent claims 24-26 are allowable because they depend from allowable independent claim 16, as well as for the further features they recite. Appellant maintains the arguments raised in the

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Appeal Brief [at pgs. 16-17] regarding the deficiencies of the rejection of the dependent claims under 35 U.S.C. § 102(b). In the Answer, at pg. 28, the Examiner has chosen not to address the substance of Appellant's arguments, instead dismissing them as "broad in nature" and "not plausible."

C. Claims 16-26 are Patentable Over Powell.

The rejection of claims 16-26 under 35 U.S.C. § 102(e) over Powell is legally improper, and should be reversed, for at least the reason that Powell fails to disclose each and every feature of at least independent 16.

In the Appeal Brief, at pgs. 17-18, Appellant argued that, at best, Powell relates to determining whether an eligible product is being purchased, but not coupon validity. In response to the foregoing argument, and similar to the previously discussed rejections, the Examiner recites:

[**I**]t is implicitly or explicitly supported in any coupon distribution system that when a printed coupon is presented for redemption at a local store, the clerk, alone or in conjunction with a system, at least makes sure that the date printed on the coupon is still valid, specific instructions printed on the coupon are carried out, the required product is purchased, etc., before applying a credit to the customer's order or before redeeming the presented coupon. This by itself constitutes a **form of validation**. Here, the specific connotation or definition attributed to the term "validation" is not being read into the claims since the term "validation" is well understood in the art and since the Examiner does read limitations from the specification into the claims and since claim elements are usually given the broadest interpretation during prosecution.

[Answer, pgs. 28-29, **emphasis in original**].

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As discussed in detail above with regard to the previous two rejections, the Examiner has failed to properly interpret the foregoing claim language which invokes 35 U.S.C. § 112, ¶16. Particularly, independent claim 16 recites:

redemption means...determining if a coupon presented by the consumer is valid prior to crediting the consumer with a redemption value associated with the coupon.

[emphasis added].

Again, the Examiner has pointed to no **structure** in Powell that performs the Coupon Validation Function. Moreover, the Examiner's comments regarding claim interpretation make it clear that the Examiner has improperly construed the recited means-plus-function language.

In the Answer, the Examiner goes on to recite:

In fact, Powell teaches, during the checkout, when UPC data on one of the user's purchased product match a coupon stored in the memory of the customer's Smart card, following a scanning process, the user or customer is credited with the value of the corresponding coupon (this matching process or validating process ensures that the user has purchased the required product as indicated on the coupon and/or if the coupon is valid or not expired before the presented coupon can be redeemed during the redemption transaction- See abstract; col. 1: 43 to col. 2: 54).

[Answer, pg. 29].

The Examiner's remarks confirm Appellant's understanding that Powell discloses determining whether or not an eligible *product* is being purchased. The Examiner has failed, however, to establish that Powell discloses the Coupon Validation Function. In fact, contrary to the assertion of the Examiner, Appellant can find no mention in the cited

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portions of Powell [abstract; col. 1, line 43 to col. 2, line 54] of determining whether a coupon "is valid or not expired before the presented coupon can be redeemed during the redemption transaction." For *at least* the foregoing reasons, the rejection of independent claim 16 under 35 U.S.C. § 102(e) is improper, and should be reversed.

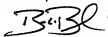
Dependent claims 17-26 are allowable because they depend from allowable independent claim 16, as well as for the further features they recite.

CONCLUSION

Appellant now appeals to this Honorable Board to promptly reverse all rejections of claims 1-27, and issue a Decision in favor of Appellant. All of the claims are in condition for allowance.

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